

SENATE BILL REPORT

SB 5554

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 20, 2007

Title: An act relating to self-service storage facilities.

Brief Description: Concerning self-service storage facilities.

Sponsors: Senators McAuliffe, Clements and Kohl-Welles.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/15/07, 2/20/07 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5554 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Clements, Ranking Minority Member; Franklin, Holmquist, Murray and Prentice.

Staff: Sherry McNamara (786-7402)

Background: When rent for a unit in a self-storage facility is more than 14 days past due, the storage facility owner has the right to terminate the rental or lease agreement and place a lien on the personal property stored in the unit. The owner must notify the renter in writing, by first class mail, of the amount due and that a lien may be placed on the stored property if the amount due remains unpaid for another 14 days or more.

If the rent remains unpaid after the date specified in the first notice, the owner must notify the renter, by certified mail, that the stored property, other than personal papers and effects, will be sold or disposed of on a date at least 14 days later, but not less than 42 days after the date rent was first past due.

The owner must allow the renter at least six months to reclaim personal papers and effects, and any excess amount received from the sale of the renter's personal property. If the property has a value of \$300 or more, a lien sale must be conducted in a commercially reasonable manner. Property having a value of less than \$300, and unclaimed personal papers and effects, must be disposed of in a reasonable manner. The owner must provide an accounting of the property's disposition to the renter at his or her last known address.

A person claiming a right to the property may stop the sale or disposition by paying the amount needed to satisfy the lien, and the owner's costs of complying with this statute. The

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owner must then retain the property, pending a court order directing the disposition of the property.

Summary of Bill: The bill as referred to committee not considered.

SUMMARY OF RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Labor, Commerce, Research & Development): The first notice described in the bill is clarified to be a preliminary lien notice. The second notice is identified as a notice of final lien sale or final notice of disposition.

Personal effects has been changed to personal photographs. New definitions are added for "reasonable manner," which means to dispose of personal property by donation to a not-for-profit charitable organization, removal of the personal property from the self-service storage facility by a trash hauler or recycler, or any other method that in the discretion of the owner is reasonable under the circumstances.

"Commercially reasonable manner" means a public sale of the personal property in the self-storage space. The personal property may be sold in the owner's discretion on or off the self-service storage facility site as a single lot or in parcels. If five or more bidders are in attendance at a public sale of the personal property, the proceeds received are deemed to be commercially reasonable.

"Cost of the sale" means reasonable costs directly incurred by the delivering or sending of notices, advertising, assessing, inventorying, auctioning, conducting a public sale, removing, and disposing of property stored in a self-service storage facility.

The order of expenses to which the proceeds of a lien sale are applied is clarified.

A person claiming a right to the property to be sold or disposed of may stop the sale or disposition by paying the amount needed to satisfy the lien, and one month's rent. If the court order is not obtained within 30 days, the claimant must pay the monthly charge.

The owner has no liability to a claimant who fails to secure a court order in a timely manner or pay the required rental charge for any sale or other disposition of the personal property.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The self-service storage law needed clarification in some areas. We have worked with the interested parties and the Attorney General's Office to agree on the language in this bill.

Persons Testifying: PRO: Duane Love, Evergreen Auction Service; Alan Ameche, Patrick Reilly, Donald Arsenault, Washington Self Storage Association.